

# ***Audit Committee Meeting***

March 5, 2012

*AP Audit – RFP Recommendation*

# ***Background***

- Between January and June of 2011, the Audit Committee received reports on the potential benefits of revenue recovery auditing from the City Auditor and IBA
- Audit Committee requested the IBA develop an RFP for an Accounts Payable Recovery Audit at the June 6, 2011 committee meeting
- The IBA presented a draft RFP in October 2011 at which time the Audit Committee requested the City Comptroller assume responsibility for finalizing and issuing RFP with support from the IBA and City Auditor
- The RFP was finalized and made public in November 2011 with closing date of December 30, 2011

# ***Proposal Evaluation***

- An Evaluation Committee was formed and comprised of IBA, EOCP and City Comptroller staff
- Two proposals were received by Purchasing and Contracting and turned over to the Evaluation Committee on January 5, 2012
- Best and Final Offers were requested on January 25<sup>th</sup> and received on January 30<sup>th</sup>

- Proposals presented competing experience and qualification in the areas of:
  - Accounts Payable Recovery Audits
    - Over 10 years experience
    - Qualified Personnel
    - Excellent reference checks
  - Comprehensive analysis tool in identifying potential duplicate payments, overpayments and other open credits
  - A detailed Vendor Master Data file review
  - Compensation of 19% of any confirmed recovery for the City with a compensation cap of \$100,000 for any single recovery. (i.e. a \$250,000 recovery would compensate the vendor \$47,500 with the City retaining the balance)

# ***Recommendation***

- Evaluation Committee has submitted a letter to Purchasing and Contracting recommending “Moody’s International” as the vendor presenting the best value contract to the city
  - Timeline indicated majority of analysis to be completed within 4 months of starting date
  - Open access to their software tool for assigned city staff
  - Provided excellent sample documentation (agendas, data files, reports)
  - 75% of their clients use SAP as their financial system
- No protests were received by the assigned date so we are requesting Audit Committee forward to Council Evaluation Committee’s recommendation to select “Moody’s International” for approval to award
- Upon receipt of authorization to proceed we estimate work for this project to begin in mid April